

**NELLIE BYERS TRAINING CENTER, INC.
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/10/10

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Silva Gurtner & Abney

Certified Public Accountants & Consultants

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Nellie Byers Training Center, Inc.
Hammond, LA

We have audited the accompanying statement of financial position of Nellie Byers Training Center, Inc. (a Louisiana not-for-profit corporation) as of June 30, 2009 and the related statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nellie Byers Training Center, Inc. as of June 30, 2009, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2009 on our consideration of Nellie Byers Training Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Silva Gurtner & Abney, LLC

December 21, 2009

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NELLIE BYERS TRAINING CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS

Current Assets	
Cash and cash equivalents	\$ 190,742
Accounts receivable	1,438
Investment	1,312
Medicaid receivable	15,466
Prepaid insurance	<u>19,883</u>
Total Current Assets	228,841
Property and Equipment	
Leasehold improvements	153,854
Vehicles	119,266
Furniture and equipment	84,839
Building	<u>635,639</u>
	993,598
Less accumulated depreciation	<u>(339,540)</u>
Net Property and Equipment	<u>654,058</u>
	<u><u>\$ 882,899</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable and accrued liabilities	<u>\$ 5,077</u>
Total Current Liabilities	5,077

NET ASSETS

Net Assets	
Unrestricted	<u>877,822</u>
	<u><u>\$ 882,899</u></u>

The accompanying notes are an integral part of this statement.

NELLIE BYERS TRAINING CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Revenues and Other Support	
Program services	\$ 12,528
Sales of services	92,640
Medicaid	299,594
Donations	4,696
United Way allocation/designation	1,050
Gain on sale of equipment	700
Other	<u>559</u>
Total Revenues and Other Support	411,767
Expenses	
Program services	394,774
Supporting services	<u>15,040</u>
Total Expenses	<u>409,814</u>
Change in Net Assets	<u><u>\$ 1,953</u></u>

The accompanying notes are an integral part of this statement.

NELLIE BYERS TRAINING CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	Program Services		Supporting Services	
	Adult	Work	General and	
	Habilitation	Activity	Administrative	Total
Salaries	\$ 84,966	\$ 45,380	\$ 10,630	\$ 140,976
Payroll tax expense	6,500	3,471	813	10,784
Workers' compensation insurance	1,921	3,391	213	5,525
Contract labor	-	78,850	-	78,850
Depreciation	38,282	9,571	-	47,853
Transportation	1,798	16,178	-	17,976
Fundraising expense	2,625	-	-	2,625
Ground maintenance	-	4,093	-	4,093
Insurance	30,682	1,557	-	32,239
Lunch program	-	13,263	-	13,263
Maintenance	1,695	12,512	-	14,207
Miscellaneous	662	4,888	-	5,550
Office expense	722	5,332	-	6,054
Professional fees	8,306	-	-	8,306
Seminars	-	-	385	385
Supplies	-	5,751	-	5,751
Utilities	8,992	3,386	2,999	15,377
	<u>\$ 187,151</u>	<u>\$ 207,623</u>	<u>\$ 15,040</u>	<u>\$ 409,814</u>

The accompanying notes are an integral part of this statement.

NELLIE BYERS TRAINING CENTER, INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

Net assets, beginning of year	\$ 875,869
Increase in net assets	<u>1,953</u>
Net assets, end of year	<u><u>\$ 877,822</u></u>

The accompanying notes are an integral part of this statement.

NELLIE BYERS TRAINING CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 1,953
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	47,853
Gain on sale of equipment	(700)
Change in operating assets:	
Accounts receivable	2,849
Inventory	5,775
Investments	640
Medicaid receivable	22,595
Prepaid expenses	(2,263)
Change in operating liabilities:	
Accounts payable and accrued liabilities	<u>4,686</u>
Net cash provided operating activities	83,388
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of equipment	700
Purchase of property and equipment	<u>(5,500)</u>
Net cash used in investing activities	<u>(4,800)</u>
Net increase in cash and cash equivalents	78,588
Cash and cash equivalents, beginning of year	<u>112,154</u>
Cash and cash equivalents, end of year	<u><u>\$ 190,742</u></u>

The accompanying notes are an integral part of this statement.

NELLIE BYERS TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Nellie Byers Training Center, Inc. (the "Center") was incorporated on July 1, 1975. The Center was organized to promote the general welfare of the mentally retarded, to advise and aid parents in the solution of mentally retarded problems, and to provide work-training services for retarded citizens of Bogalusa, Louisiana.

Donated Assets and Services

The Center records noncash donations as contributions at its estimated fair value at the date of donation.

The Center recognizes donated services, if significant in amount, that create or enhance non-financial assets or that require specialized skills, that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Property and Equipment

Property and equipment are recorded at cost. Acquisitions of property and equipment are made with unrestricted assets. Depreciation is provided over the estimated useful lives of the respective assets, approximately five to thirty-five years, on a straight-line basis.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in *unrestricted net assets* if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Expense Allocation

Functional expenses are allocated among various program services and general and administrative categories based on actual use or management's best estimate.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center's management considers all unrestricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

NELLIE BYERS TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Income Taxes

Under the provisions of the Internal Revenue Code, Section 501(c)(3), and the applicable income tax regulations of Louisiana, the Center is exempt from taxes on income other than unrelated business income. The Center has also been classified as an entity that is not a private foundation in Section 170 (b)(1)(A)(vi). Since the Center had no net unrelated business income during the year ended June 30, 2009, no provision for income tax was made.

Financial Statement Presentation

The Center adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets depending on the existence and/or nature of any donor restrictions.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, Medicaid and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. Management believes that all receivables are collectible and as such has not recorded a valuation allowance as of June 30, 2009.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Center; that is, in substance, unconditional. Contributions that are received subject to certain donor stipulations are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NELLIE BYERS TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Medicaid Reimbursement Programs

The Center is paid under Medicaid for services provided to Medicaid beneficiaries and is paid a predetermined per-diem for these services based, for the most part, on the Plan of Care ("POC") assigned to each client.

**NOTE B – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN
EXCESS OF INSURED LIMITS**

The Center maintains cash balances at several financial institutions located in Bogalusa, Louisiana. Accounts at each of these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Center's cash was not in excess of the FDIC insurance at June 30, 2009.

NOTE C – FAIR VALUES OF FINANCIAL INSTRUMENTS

The Center's financial instruments were comprised primarily of cash, cash equivalents, and accounts receivable, and its carrying amount approximated fair value. The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents - the carrying amount approximates fair value because of the short maturities of those investments.

Accounts and Medicaid receivables - the carrying amount approximates fair value because of the short maturities of the instruments.

NOTE D – THIRD PARTY PAYOR ARRANGEMENTS

The Center participates in the Medicaid Waiver program as a provider of services to program beneficiaries. During the year ended June 30, 2009, approximately 73% of the Center's total revenue was derived from services provided to Medicaid program beneficiaries. Laws and regulations governing the Medicaid programs are complex and subject to interpretation. The Center believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Revenue derived from the Medicaid program is subject to audit and adjustment by the fiscal intermediary. Although the fiscal intermediary has not completed its audits of the estimated settlements for the year ended June 30, 2009, the Center does not anticipate significant adverse adjustments to the recorded settlements.

NOTE E – MEDICAID REVENUE AND RELATED RECEIVABLES

Net Medicaid revenue and the related accounts receivable are reported at the estimated net realizable amounts from third-party payors. Medicaid receivables are \$15,466 as of June 30, 2009.

NELLIE BYERS TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE F – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 21, 2009, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

OTHER INDEPENDENT AUDITORS' REPORT



Silva Gurtner & Abney

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Nellie Byers Training Center, Inc.
Hammond, Louisiana

We have audited the financial statements of Nellie Byers Training Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 21, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Nellie Byers Training Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Nellie Byers Training Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nellie Byers Training Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors, management, the Department of Health and Hospital, and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Silva Gurtner & Albrey, LLC

December 21, 2009

NELLIE BYERS TRAINING CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified		
Internal control over financial reporting:			
Material weaknesses identified?	_____ yes	_____ X _____	no
Significant deficiencies identified			
not considered to be material weaknesses?	_____ yes	_____ X _____	none reported
Noncompliance material to financial statements noted?	_____ yes	_____ X _____	no

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	_____ N/A _____
Significant deficiencies identified	
not considered to be material weaknesses?	_____ N/A _____
Type of auditors' report issued on compliance for major programs:	_____ N/A _____
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	_____ N/A _____
Identification of major programs:	_____ N/A _____
Dollar threshold used to distinguish between Type A and Type B programs:	_____ N/A _____
Auditee qualified as low-risk audit?	_____ N/A _____

See independent auditors' report.

**NELLIE BYERS TRAINING CENTER, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009**

Section II – Internal Control & Compliance
Governmental Auditing Standards

Internal Control

Reference number: 2008-1

Condition: The Center cannot provide a single, accurate trial balance.

Current Status: Resolved.

Reference number: 2008-2

Condition: Not all denied claims are assessed for collectability and followed up on after the initial denial.

Current Status: Resolved.